



Legislation Text

File #: 17-1350, Version: 1

Contract Request Template (Contracts; IGAs; Leases)

Date Submitted: 11-21-17

Requesting Agency: Economic Development
Division:

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Item Title & Description:

(Do not delete the following instructions)

*These appear on the Council meeting agenda. Initially, the requesting agency will enter a 2-3 sentence description. Upon bill filling, the City Attorney's Office should enter the title above the description (the title should be in **bold** font).*

*Both the title and description must be entered between the red "title" and "body" below. Do **not** at any time delete the red "title" or "body" markers from this template.*

A bill for an ordinance approving a proposed Second Amendment and Modification Agreement between the City and County of Denver and The Housing Authority of the City and County of Denver to modify the loan agreement and release a portion of the property subject to the loan agreement.

Amends a loan agreement with the Denver Housing Authority (DHA) to acquire land and build units including mixed-income housing by releasing certain parcels from the covenant securing the loan to allow DHA to sell the released parcels to private developers to build the planned for-sale units located in an area bounded by Washington Street, 20th Avenue, 22nd Street, Tremont Place, 24th Street, and Court Place in Council District 9 (OEDEV-CE01227-02). The last regularly scheduled Council meeting within the 30-day review period is on 1-2-18. The Committee approved filing this bill by consent on 11-29-17.

Affected Council District(s) or citywide? Council District 9

Contract Control Number: OEDEV-CE01227-02

Vendor/Contractor Name (including any "DBA"): Denver Housing Authority (DHA)

Type and Scope of services to be performed: Amends a loan agreement for \$2,500,000 between the Denver Housing Authority and OED to release certain parcels from the covenant that secures the loan. The existing loan financed the acquisition of property bounded by Washington Street, 20th Avenue, 22nd Street, Tremont Place, 24th Street, and Court Place. This area was covered by a HOPE VI revitalization plan that included mixed-income rentals and homeownership housing. DHA has built the planned rental units, but intends to sell the released parcels to private developers to build the planned for-sale units. In accordance with the area's AHP, 9% of the homeownership units will be available to 80% AMI families, providing 65 total bedrooms.

Location (if applicable):

WBE/MBE/DBE goals that were applied, if applicable (construction, design, Airport concession contracts):

Are WBE/MBE/DBE goals met (if applicable)?

Is the contract new/a renewal/extension or amendment?

Was this contractor selected by competitive process or sole source?

For New contracts

Term of initial contract:

Options for Renewal:

How many renewals (i.e. up to 2 renewals)?

Term of any renewals (i.e. 1 year each):

Cost of initial contract term:

Cost of any renewals:

Total contract value council is approving if all renewals exercised:

For Amendments/Renewals Extensions:

Is this a change to cost/pricing; length of term; terms unrelated to time or price (List all that apply)?

If length changing

What was the length of the term of the original contract?

What is the length of the extension/renewal?

What is the revised total term of the contract?

If cost changing

What was the original value of the entire contract prior to this proposed change?

What is the value of the proposed change?

What is the new/revised total value including change?

If terms changing

Describe the change and the reason for it (i.e. compliance with state law, different way of doing business etc.)

This amendment to contract OEDEV-CE01227-02 for \$2,500,000 with the Denver Housing Authority will release certain parcels from the covenant that secures the loan. The existing loan financed the acquisition of property bounded by Washington Street, 20th Avenue, 22nd Street, Tremont Place, 24th Street, and Court Place. The property, now known as Benedict Park Place, was covered by a HOPE VI revitalization plan that included mixed-income rentals and homeownership housing, requiring that 60% of the units onsite be affordable at the 60% AMI level or below.

DHA has built all 580 of the planned apartments in buildings known as Bean Towers, Arrowhead Apartments, and East Village Apartments. Of the total, 462 (80%) are affordable at or below 60% of AMI, as shown here:

		1-BR	2-BR	3-BR	4-BR	TOTAL	% of Type
RENTAL UNITS:							
Income-Restricted at	40%	183	53	17	1	254	44%
Income-Restricted at	50%	68	34	8	0	110	19%
Income-Restricted at	60%	62	29	7	0	98	17%
Subtotal, Income-Restricted		313	116	32	1	462	80%
Market-Rate Rentals		54	59	5	0	118	20%
SUBTOTAL, ALL RENTALS		367	175	37	1	580	100%

However, DHA does not typically build for-sale housing, and has determined that it is more economically feasible to sell the parcels destined for homeownership to private developers to complete the work envisioned in the revitalization plan. In 2016, DHA encumbered the for-sale parcels with an Affordable Housing Plan that requires construction of 30 homes affordable at the 80% AMI level; the other 297 homes will be market-rate. Although the AHP provides only 9% of the homes at affordable prices, it provides 65 total bedrooms--10 more than required--as an alternative satisfaction to the AHP requirements, as shown here:

		1-BR	2-BR	3-BR	4-BR	TOTAL	% of Type
FOR-SALE UNITS:							
Affordable at AMI	80%	10	5	15	0	30	9%
Market-Rate For-Sale		132	151	14	0	297	91%
SUBTOTAL, ALL FOR-SALE		142	156	29	0	327	100%

To complete the planned sales, the for-sale parcels will need to be released from the covenant that secures the loan.